United Nations DP/OPS/2018/4

Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

Distr.: General
10 April 2018

Original: English

Annual session 2018
4 to 8 June 2018, New York
Item 16 of the provisional agenda
Reports of UNDP, UNFPA and UNOPS ethics offices

Activities of the UNOPS Ethics Office in 2017

Report of the Ethics Office

Summary

The UNOPS Ethics Officer provides the present report annually to the Executive Director. The report is submitted to the Executive Board at its annual sessions, pursuant to Board decision 2010/17.

The Ethics Panel of the United Nations has reviewed the report, in accordance with section 5.4 of the document, United Nations system-wide application of ethics: separately administered organs and programmes (ST/SGB/2007/11, as amended). The UNOPS Audit Advisory Committee has also reviewed the report.

The report covers the period from 1 January to 31 December 2017.

Contents

Chapter *Page*

I. Introduction 2

II. Background and general information 2

III. Activities of the Ethics Office 4

A. Financial disclosure programme 4

B. Protection of personnel against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations 5

C. Outreach, training and education 7

D. Advice and guidance 9

E. Assistance to other organizations 10

IV. The Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations 10

I. Introduction

1. The present report, the ninth since the establishment of the Ethics Office as a separate entity in UNOPS at the end of January 2009, is submitted annually to the Executive Director of UNOPS and the Executive Board of UNDP, UNFPA and UNOPS.

2. In accordance with the mandate of the Ethics Office to promote the highest standards of integrity and to foster a culture of ethics, transparency and accountability within UNOPS, the present report provides an overview and assessment of the work of the Ethics Office in relation to its areas of responsibility over the reporting period, 1 January to 31 December 2017.

II. Background and general information

3. The Ethics Office was established as an independent office within UNOPS pursuant to the Secretary-General's bulletin (ST/SGB/2007/11, as amended).

4. The main responsibilities of the Ethics Office include:

(a) administering the UNOPS financial disclosure programme;

(b) undertaking the responsibilities assigned to it under the UNOPS policy for the protection of personnel (engaged under both staff and non-staff contract modalities) against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations;

(c) developing standards, training and education on ethics issues, in coordination with other units within UNOPS as appropriate, and conducting ethics outreach;

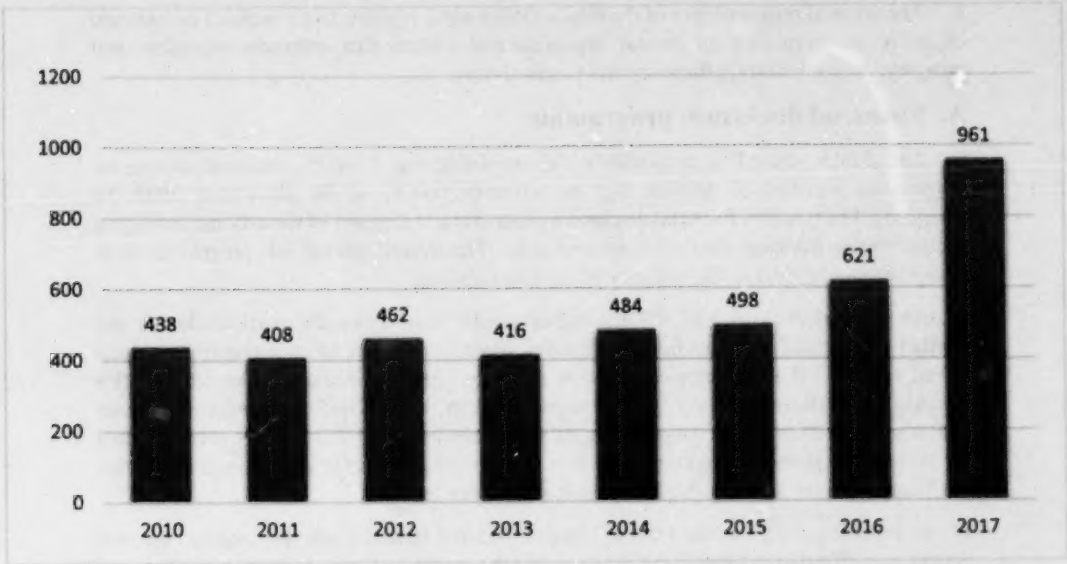
(d) providing confidential advice and guidance to personnel on ethical issues (such as conflicts of interest), including administering an ethics helpline; and

(e) supporting ethics standard-setting and policy coherence within the United Nations system.

5. In accordance with its core mandates, the Ethics Office assists the Executive Director in ensuring that all UNOPS personnel conduct themselves with integrity and professionalism and uphold the Charter of the United Nations. The office seeks to nurture and sustain an organizational culture committed to ethics and accountability, with the aim of enhancing both the credibility and the effectiveness of the United Nations.

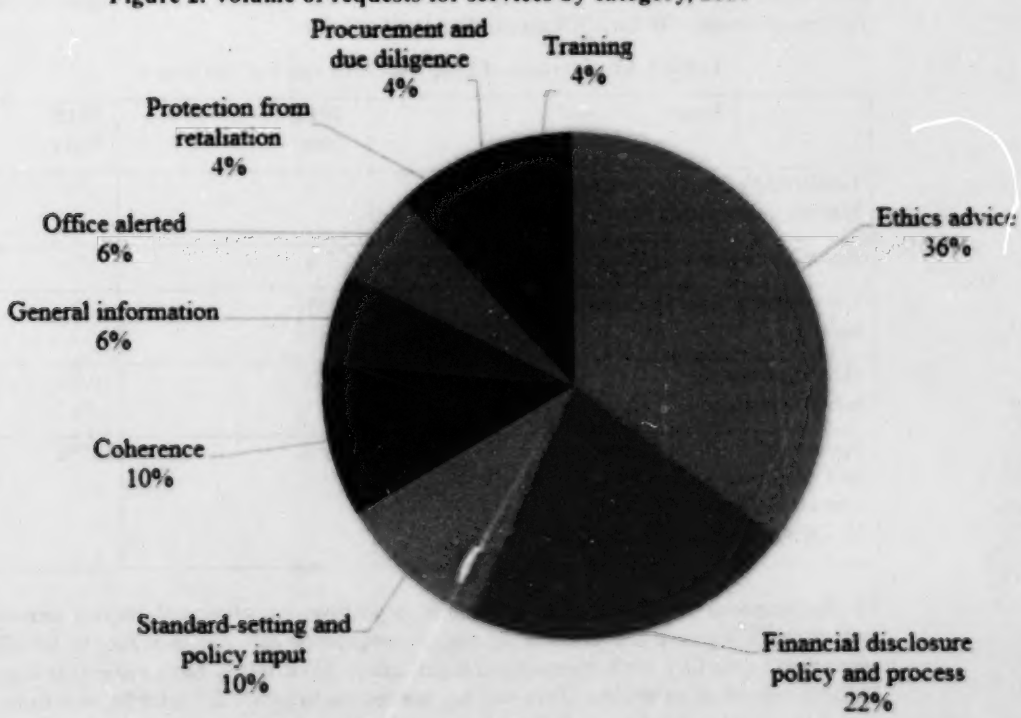
6. Reflecting its role as a consultative, impartial and service-oriented resource within UNOPS, the Ethics Office handled a total of 961 matters from 1 January 2017 to 31 December 2017. This represented a large increase in the number of requests for services received by the office as compared with the preceding reporting period. This increase can be attributed to the greater understanding of ethics issues, and the need to consult the Ethics Office on those issues, largely galvanized by the new Financial Disclosure and Conflicts of Interest Programme. Figure 1 depicts the comparison of the respective figures for the period 2012-2017.

Figure 1. Comparison of requests for services by reporting cycle, 2012-2017



7. Requests for services received during 2017 covered a broad range of ethics matters, including the permissibility of outside activities; acceptance of gifts/hospitality; policy advice; standard-setting support; and protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations. Figure 2 below provides a breakdown of requests by category.

Figure 2. Volume of requests for services by category, 2017



III. Activities of the Ethics Office

8. The areas of responsibility of the Ethics Office serve to collectively support its strategic objective of promoting an ethical organizational culture that enhances organizational integrity, accountability, efficiency and productivity.

A. Financial disclosure programme

9. The Ethics Office is responsible for administering UNOPS financial disclosure programme pursuant to section 3(g) of ST/SGB/2007/11 of 30 November 2007 (as amended). The UNOPS financial disclosure programme is a means of identifying, managing and mitigating personal conflict-of-interest risks. The overall goal of this programme is to strengthen public trust in the integrity of the organization.

10. As reported in 2016, UNOPS adopted on a pilot basis a new financial disclosure and conflict of interest form. This involved the development in-house of an online filing system linked to the UNOPS enterprise resource planning (ERP) system. As a result, UNOPS initiated the 2016 annual filing cycle three months later than in 2015. One consequence was that when the Ethics Office was drafting its annual report for 2016 it had not yet completed the review of statements filed under the new system. The Ethics Office has included in this 2017 annual report an analysis of the result of the pilot for 2016.

11. In assessing the pilot, the Ethics Office considered three aspects: (a) whether the new system was effective in identifying conflicts, (b) the reaction of users to the new system, and (c) the impact on resources UNOPS needed to administer the new system and review the declarations.

12. To assess the new system's efficiency in identifying conflicts, the Ethics Office compared statistics from the 2016 pilot with data from the 2015 financial disclosure exercise. In order to ensure consistency in analysis, the Ethics Office engaged the same external reviewer as in previous years. As shown in the table below, the review found that in most areas where a comparison across forms was possible, the 2016 form yielded a higher rate of disclosure compared to the 2015 annual disclosure exercise.

Table 1. Comparison of 2015 and 2016 rates of disclosure

Issue	2016 filers	2015 filers
Leadership role in a non-United Nations organization	7%	2%
Receipt of a gift/hospitality	7%	0%
Owning an interest in a UNOPS vendor	3.5%	2%
Having an outside activity/business	7%	0.02 %
Spouse (or, in 2016, unmarried partner) works for UNOPS or the United Nations system or a UNOPS partner or vendor	49%	37%

13. The response from filers was overwhelmingly positive. The previous form was seen as unnecessarily intrusive and time-consuming to complete; it required each filer to list all assets held by the filer, his/her spouse and dependent children, if they had a value of at least $10,000, regardless of whether there was any connection to UNOPS. Under the new form, questions are formulated so that filers can see their relevance, a change they appreciated.

The new form has an expanded scope in that it asks about unmarried partners, all outside activities (irrespective of whether they are income generating), political activities and any interest (regardless of value) held in a UNOPS vendor or partner. This broadening of scope led to the higher reporting rates of 2016. Notably, no complaints were received regarding this expansion of scope, and the form was perceived as less intrusive. Filers also appreciated that they could complete the form in any of the three UNOPS working languages.

14. The establishment of the new online system required collaboration from other UNOPS units and in particular the information and communications technology development team and the translators. These were one-off investments necessary to set up the new online system. The form's simpler terminology and availability in all three UNOPS working languages have reduced the number of unclear responses from filers who misunderstood the form in the past. In addition, the new online form includes 'accordion' questions, where a positive response to one question automatically triggers related follow-up questions, significantly reducing the need to request additional information by e-mail after review of the completed forms.

15. The Ethics Officer presented the results of the pilot study to the Executive Director together with the other members of the Corporate Operations Group. It was agreed that the new financial disclosure and conflict of interest form would be used again in 2017.

16. UNOPS launched the 2017 financial disclosure programme slightly earlier than in 2016. The Ethics Office intends to progressively issue it earlier each year so that it can analyse all submitted statements before the writing of the Ethics Office annual report. In 2017, the Ethics Office also continued its efforts to make the process more efficient. The Ethics Office liaised with information and communications technology in order to draw up preliminary lists of filers from the ERP system for regional directors and headquarters directors to review and complete. This reduced the time burden on the offices of those directors and ensured a more consistent interpretation of the categories of personnel required to file. For the first time, the Ethics Office held a competitive procurement process to select the company that would act as external reviewer of the submitted forms.

17. In the 2017 annual filing exercise, 690 members of UNOPS personnel were required to submit an online financial disclosure and conflict-of-interest form, and all filed.

18. The review of the submitted forms is ongoing.

B. Protection of personnel against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations

19. Pursuant to the Secretary-General's bulletin (ST/SGB/2007/11, as amended), the Ethics Office is mandated to implement UNOPS policy on protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations. In accordance with UNOPS organizational directive number 35,[1] the Ethics Office received complaints of retaliation and conducted preliminary reviews to determine whether a complainant had engaged in a protected activity and, if so, whether the protected activity had been a factor contributing to the alleged retaliation. Should the Ethics Office determine, on the basis of its preliminary review, that that there is a prima facie case of retaliation, the matter is referred to the Internal Audit and Investigations Group (IAIG), or to an alternative investigating mechanism, if required, for formal investigation.

20. Pending the completion of a referred investigation, the Ethics Office may recommend to the Executive Director that interim protection measures be implemented to safeguard the interests of the complainant. The Ethics Office will make a final recommendation to the

[1] Operational directive 35, which was in force throughout 2017, was later repealed and replaced with the operational instruction of 22 February 2018.

Executive Director, for her determination, subsequent to receipt and assessment of the completed investigation report and evidentiary materials.

21. In 2017, the Ethics Office received ten requests for protection from retaliation. This represents a notable increase on 2016 when four such requests for protection were received. However, as in 2016, the majority of the requests (six of the total) originated from a single unit.

22. Five of the requests from the same unit were interrelated and took place in two phases. At the beginning of the year, two staff members asked their manager if they could meet to discuss the manager's behaviour, which they felt was giving rise to a culture of fear and anxiety. An attempt at informal resolution involving local human resources colleagues was followed by detrimental action by the manager against the two staff members. The two staff members then made formal allegations of abuse of authority, and asked the Ethics Office for protection against retaliation under UNOPS organizational directive number 35. A third colleague alleged threats of retaliation if s/he cooperated in the investigation into the claims made by the two original complainants.

23. In order to benefit from protection under organizational directive 35, a complainant's protected activity had to precede the retaliation. The Ethics Officer found a prima facie case of retaliation for the two original complainants, but not for the third complainant since the threat of retaliation had preceded the third complainant's cooperation in the investigation. However, the General Counsel advised IAIG that there could be no "retaliation" within the meaning of organizational directive 35 for the two original complainants either, as General Counsel determined that the attempt at informal resolution was not a protected activity and thus the detrimental action had preceded the protected activity (the lodging of the formal complaint).

24. Nevertheless, both the General Counsel and the manager who had been the subject of the allegations recognized that the underlying behaviour of the manager constituted harassment and created a hostile environment. The manager formally admitted misconduct and was sanctioned. The Executive Director also put in place a multi-point plan of action to protect the manager's team and to improve the manager's behaviour. The plan included coaching the manager and divesting her of human resources functions. The Ethics Office was given the opportunity to comment on the action plan and participated in several conference calls with the General Counsel, the People and Change Group, the Internal Audit and Investigations Group and the Regional Director.

25. The Ethics Office supported the complainants throughout, staying in frequent contact and explaining the process behind the Executive Director's action plan. UNOPS management reversed the detrimental action the two original complainants underwent.

26. Towards the end of 2017, two additional requests for protection against retaliation were received from the Ethics Office from colleagues in the same unit who had cooperated in the investigation. The Ethics Officer determined that there was no prima facie case of retaliation but that the two colleagues were in a vulnerable position. In accordance with the philosophy of preventative action emphasized in document SGB/2017/2/rev 1, the Ethics Office liaised with senior management to ensure the monitoring of the workplace and contractual situation of the individuals concerned.

27. The sixth request for protection against retaliation originating from the same unit was unrelated and dealt with reporting of separate misconduct in 2015. UNOPS organizational directive 35 did not allow personnel to claim protection for a protected activity that took place up to six years before requesting protection. However, the directive required protection to be sought no later than 12 months after the most recent alleged retaliatory act. The complainant was unable to provide substantive evidence of retaliation within the 12 months preceding her request. The Ethics Office therefore did not find a prima facie case of retaliation.

28. The other four requests for protection originated in three different units. In each case, the Ethics Officer found that, although the complainant had engaged in a protected activity by reporting suspected wrongdoing in good faith, there was no prima facie case of retaliation.

29. In the first case, the complainant had contacted the Ethics Office after observing grave mismanagement in a project. The Ethics Officer advised the complainant of the protection available under organizational directive 35. The complainant resigned some months later and alleged retaliation. However, the complainant was unable to explain how action taken by the unit after her resignation, which was in line with UNOPS policies but deviated from customary practice, had been detrimental to her.

30. In the second case, the complainant alleged that the non-renewal of his contract on its expiration was the result of his having reported suspected fraud. The Ethics Office found that the persons making the decision not to renew the contract were not aware of the report of fraud through UNOPS channels. The Ethics Office further found that the decision not to renew was based on other conduct by the complainant.

31. In the third case, the complainant alleged that the non-renewal of her contract was due to her having reported suspected theft. The Ethics Office's preliminary assessment found that there were funding problems in the office and that in any event the complainant's contract modality was not one which could be extended without a competitive process.

32. In the final case, the Ethics Officer requested further necessary details from the complainant prior to making a determination. The complainant did not respond, despite several reminders; as a result, the case was considered abandoned.

33. In each of the ten requests for protection, including those where the Ethics Office concluded after the preliminary assessment that there was no prima facie case of retaliation, the Ethics Office considered if there was any underlying management problem and made recommendations as appropriate.

34. Finally, throughout the year, the Ethics Officer was consulted by a number of colleagues regarding reporting channels and processes. The Ethics Office reminded several colleagues of the existence and role of the Office of the Ombudsman of United Nations Funds and Programmes in resolving interpersonal conflicts. The Ethics Office also advised colleagues of the existence of the protection available under organizational directive 35 in order to encourage a speak-up culture. The Ethics Office considers raising awareness of the policy as one means of preventing retaliation.

C. Outreach, training and education

35. The Ethics Office worked on a number of training initiatives, both on its own and in collaboration with other units. These included e-learning courses and in-person training.

36. The online course, Ethics and Integrity at the United Nations, developed by other United Nations organizations, and promoted by the United Nations System Staff College, was introduced to UNOPS and made mandatory for all personnel. The course is available in English and French and is accompanied by information regarding contact details for the UNOPS Ethics Office and the UNOPS channels for reporting misconduct. UNOPS anticipated that the tracking of course completion would become automatic during 2017 with the launch of a UNOPS-wide digital learning system (Learning Zone), but there were delays in its roll out, which was finally launched in January 2018. At The People and Change Group learning team is currently working on validating past records of course completion and creating visibility for different units regarding course completion.

37. In 2017, the Ethics Office collaborated with the Procurement Group and IAIG in the development of a new interactive e-learning course called Ethics and Fraud Prevention in Procurement. The Ethics Advisor worked closely on the module, Ethics in Procurement. The course is mandatory for procurement officials, procurement reviewers, and procurement

authorities and contracts committee members; it is also recommended for project managers. The course was completed in autumn 2017 and launched at the same time as the Learning Zone. This initiative was a continuation of collaboration by the Ethics Office in the area of fraud prevention in 2017. It included the Ethics Advisor meeting with the directors of the Risk and Quality Group and IAIG to discuss the results of a fraud risk assessment carried out by external consultants. The Ethics Advisor subsequently formed part of the Fraud Prevention and Awareness Group, together with a regional director and the directors of IAIG, the Procurement Group and the Risk and Quality Group.

38. In 2017, the Ethics Advisor also worked on an update of the standards of conduct and ethics segment of the Certification in Human Resources Essentials online course for human resources practitioners.

39. The Ethics Office was strengthened in autumn 2017 through the recruitment of a part-time colleague to assist with administrative and graphic design tasks. This has led to the revision of the ethics intranet page, including the prominent posting of the International Civil Service Commission (ICSC) standards of conduct and relevant internal policies. In December 2017, the Ethics Office also created its own blog. Its first blog came in request to frequently asked questions on the gifts and hospitality policy and was in all three UNOPS working languages.

40. As in 2016, the Ethics Advisor presented a number of training sessions to colleagues from both the field and headquarters. They included presenting an interactive ethics training session to field colleagues attending the project management foundation course, and another on the role and function of the Ethics Office in the Finance Group at headquarters. The Ethics Advisor again presented the ethics-in-procurement segment (developed in 2016) of the three-day training in procurement operations given by the Procurement Group. Finally, the Ethics Advisor also had one-on-one meetings with new senior colleagues when they visited UNOPS headquarters in Copenhagen for their induction training.

41. In 2016, the Ethics Office was one of the members of a task force set up by the Executive Director to review and improve the policies governing how UNOPS handles grievances. The task force was led by the People and Change Group and included the Legal Group, IAIG and the Ethics Office. This led to the establishment in 2017 of a network of peers from across UNOPS to assist the People and Change Group in its preliminary review of allegations of harassment, abuse of authority or discrimination. It included a week-long training course for selected peers run by external consultants. The Ethics Office, along with the other members of the task force, attended the training in order to provide real-time guidance and input from the perspective of ethics and protection from retaliation.

42. The Ethics Officer received the agendas of senior management meetings, namely, those of the Corporate Operations Group, and decided whether to attend as an observer. In 2017, the Ethics Officer attended most meetings. He also attended the global leadership meeting at headquarters. The Ethics Officer continues to support the Internal Audit and Investigations Group and other headquarters groups' initiatives in anti-corruption and identification of risk in procurement. The Ethics Office cooperated with the Internal Audit and Investigations Group in the production and holding of the annual survey on integrity, ethics and anti-fraud.

D. Advice and guidance

43. The ethics advisory function is a key element in United Nations efforts to protect and bolster its reputation for integrity. Pursuant to its advisory mandate, the Ethics Office provides confidential ethics advice and guidance to staff, management, departments and offices in order to ensure that decision-making is consistent with the values, principles and rules of the United Nations. This function serves to prevent, mitigate and resolve actual or perceived conflicts of interest and, in doing so, enhances the integrity of UNOPS and its personnel.

44. The advisory function of the Ethics Office is paramount: 36 per cent of all requests for services during the reporting period pertained to ethics advice (see figure 2). During the period under review, the office received 346 requests for advisory services on a wide range of ethics-related concerns. Figure 3, below, shows the categories into which requests for advice are classified (2016 percentages in parenthesis for comparison): outside activities, 44 per cent; allegations of misconduct, 10 per cent; other conflicts of interest, 10 per cent; financial disclosure, 4 per cent; employment-related concerns, 17 per cent; post-employment restrictions, 4 per cent; and gifts and hospitality, 11 per cent. There has been a noticeable increase in reported employment-related concerns since the launch of the speak-up campaign. A noticeable trend in 2016 was the higher number of Ethics Office consultations at the time of recruitment, at the request of human resources practitioners who had identified a potential conflict of interest in the case of proposed new colleagues.

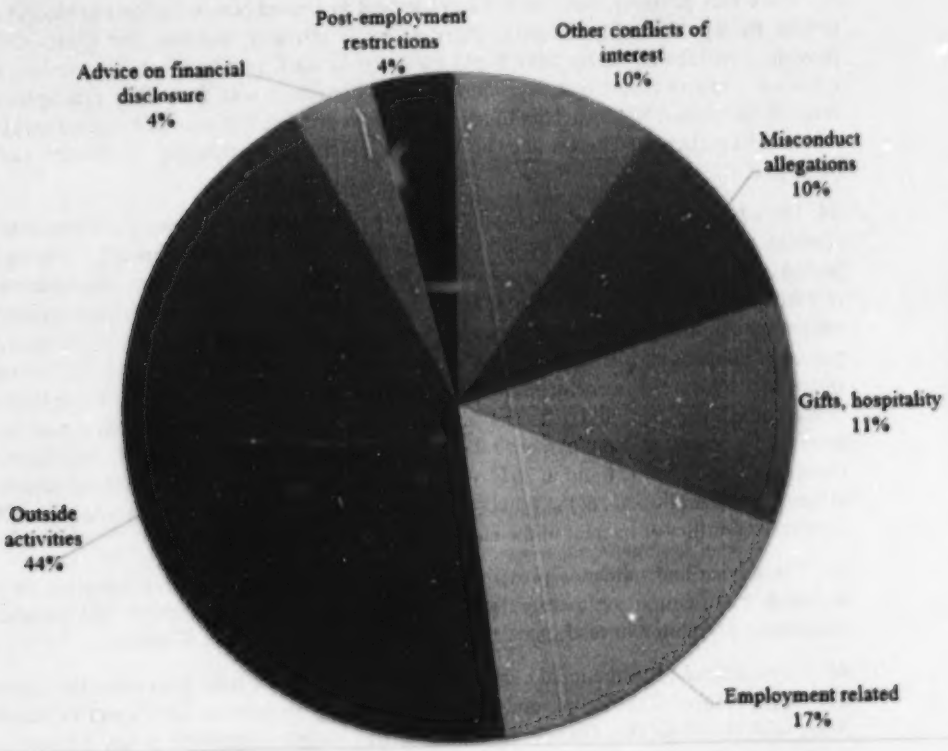
45. The advice and guidance provided by the Ethics Office during the reporting period included clarification or interpretation of UNOPS regulations, rules and standards concerning prohibited or restricted activities, and, of course, ethical dilemmas.

46. Through inter-organizational consultation and coordination with, inter alios, the General Counsel, members of the People and Change Group, the Procurement Group and the Internal Audit and Investigations Group, the Ethics Office sought to provide policy support and guidance on the interpretation and implementation of organizational standards.

47. The Ethics Office was particularly active in 2017 in contributing to the setting of standards as UNOPS moved forward with the implementation of the Governance, Risk and Compliance initiative. This included the close collaboration of the Ethics Advisor with the People and Change Group and the Legal Group in the drafting of the ethics section of the new organizational directive on human resources, ethics and culture. The Ethics Advisor also prepared the risk appetite statement of the Ethics Office for the Risk and Quality Group and was interviewed by panels set up to consider gender parity and knowledge management, respectively.

48. The Ethics Office was the UNOPS focal point for two United Nations system-wide reviews by the Joint Inspection Unit (JIU) in 2017. The first dealt with mechanisms and policies that addressed conflict of interest, and the second, whistle-blower policies and practices. This involved information gathering and analysis across different groups within UNOPS and the drafting of the UNOPS response to the two JIU questionnaires.

Figure 3. Requests for ethics advice, 2017



E. Assistance to other organizations

49. In accordance with its mandate to provide services to other United Nations organizations, UNOPS agreed that its Ethics Office would be the outside reviewer for requests by the personnel of the World Intellectual Property Organization (WIPO) with regard to determinations by the WIPO Chief Ethics Officer in protection against retaliation cases.

IV. The Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations

49. The United Nations Ethics Committee, later renamed the Ethics Panel of the United Nations, was established by the Secretary-General in his bulletin (ST/SGB/2007/11, as amended), which entered into force on 1 December 2007. The panel is mandated to establish a unified set of ethical standards and policies for the United Nations Secretariat and for the separately administered funds, programmes and specialized agencies, and to consult on certain important and particularly complex cases and issues having United Nations system-wide implications. In 2017, the UNOPS Ethics Officer participated in all eleven panel meetings.

50. In accordance with the Secretary-General's ongoing promotion of system-wide collaboration on ethics-related issues, including with United Nations funds, programmes and specialized agencies, and other interested entities, the Ethics Network of Multilateral Organizations (originally called the United Nations Ethics Network) was established on 21 June 2010. The Ethics Network was founded within the framework of the United Nations System Chief Executives Board for Coordination in order to promote system-wide collaboration and coherence in the area of ethics and integrity, with the participation of ethics

officers and related professionals from the United Nations Secretariat, United Nations funds, programmes and specialized agencies, and selected international financial institutions.

51. Further information on the work of the Ethics Panel of the United Nations is provided in the forthcoming Report of the Secretary-General on the Activities of the Ethics Office to be presented at the seventy-third session of the General Assembly.